

TO: Chief, T&T

ATTENTION: [REDACTED] 25X1A9a

SUBJECT: Export of 30,000 kgs of Centralit I (an explosive ingredient)
from West Germany to Hungary, total value \$33,750.

REFERENCE: Memorandum by German Delegation, COCOM Doc. (68)
433. Confidential

FROM: [REDACTED] 25X1A9a

1. Although Hungarian factories that produce war materiel are fairly modern, their production is inefficient. According to information [REDACTED] only a few munitions, all of Soviet design, were produced at less than capacity levels. Even this restricted output depended entirely on imported raw materials. 25X1A

2. The firm Nitrokemia, the stated end-user of the Centralit, in Fuzfo is Hungary's largest producer of explosives and propellants for ammunition. It produces gunpowder, dynamite, pentaerythritol, and TNT for military use. There is also substantial non-military production with emphasis on the output of mining and industrial explosives. 25X1A

3. The industry as a whole produces enough to cover peacetime military needs, and there are some exports. [According to information received [REDACTED] it was planned to increase the output of explosives at Nitrokemia to permit exportation to Communist China.] [REDACTED] 25X1A2g